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# **FAR EAST CONSORTIUM INTERNATIONAL LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

*Website: <http://www.fareastconsortium.com.hk>*

**(Stock Code: 35)**

## **DISCLOSEABLE TRANSACTION**

The Directors announced that on 2 October 2004, the Agreement was entered into between Aniwell Investments Limited, a wholly owned subsidiary of the Company and Grace Concord Holdings Limited in respect of the sale of the Property at a cash consideration of HK\$140.2 million.

The considerations and other terms and conditions of the Agreement were determined after arm's length negotiations between the parties with reference to the normal commercial terms and are considered by the Directors of the Company to be fair and reasonable.

The transaction contemplated under the Agreement constitutes a discloseable transaction under Chapter 14 of the Listing Rules. A circular in connection with the disposal of the Property will be despatched to the shareholders of the Company as soon as practicable.

## **DATE OF THE AGREEMENT**

2 October 2004

## **VENDOR**

Aniwell Investments Limited, a wholly owned subsidiary of the Company.

## **PURCHASER**

Grace Concord Holdings Limited, its principal activity is property investment. The Purchaser and the ultimate beneficial owner of the Purchaser are third parties independent of the Company and connected persons of the Company.

As stated in Annual Report 2004, the Company acts as an investment holding company. Its subsidiaries are engaged in property development and investment, hotel operations, investment holding, securities trading and manufacture of boiled products.

## **ASSET TO BE TRANSFERRED**

Under the Agreement, the Vendor had agreed to sell the Property to the Purchaser at a cash consideration of HK\$140.2 million.

The registered owner of the Property is the Vendor. The Property located at 30 Nanking Street, Jordan, Kowloon (Kowloon Inland Lot Nos. 7968 and 8816) and is currently operated as a hotel. The property is sold on “as is” basis.

## **CONSIDERATION**

The consideration of the Property is HK\$140.2 million payable in cash. An initial deposit of HK\$5 million was paid upon the signing of the Agreement and further deposit of HK\$14 million shall be paid upon signing of the formal sale and purchase agreement on or before 18 October 2004. The remaining balance of HK\$121.2 million shall be paid upon completion.

## **FORMAL AGREEMENT**

A formal sale and purchase agreement is required to be entered into by the parties on or before 18 October 2004.

## **COMPLETION**

Completion of the formal sale and purchase agreement is scheduled to take place on or before 28 December 2004.

## **REASON FOR THE PROPERTY DISPOSAL**

The Group is principally engaged in property development and investment, hotel operations, investment holding, securities trading and manufacture of boiler products.

The Directors consider the disposal will provide the opportunity for the Company to realize its assets at reasonable market price. The net proceeds will be used for repayment of existing loan of the Vendor of HK\$51.5 million and the remaining balance of HK\$88.7 million will be deployed for general working capital purpose.

After the disposal, the principal activities of the Company remain unchanged. The Company continues to operate Dorsett Seaview Hotel in Hong Kong and Dorsett Regency Hotel in Kuala Lumpur, Malaysia. Hotel operations remain as one of the Company's principal businesses.

## **GENERAL**

The Directors are of the view that the disposal of the Property is in the interest of the Company and the terms of the Agreement are on normal commercial terms, which are fair and reasonable and in the interest of the shareholders, as a whole. According to the latest valuation report by DTZ Debenham Tie Leung Limited, an independent valuer, the Property was valued at HK\$105 million as at 31 March 2004. The book value of the Property was HK\$105 million as at 31 March 2004.

The Directors confirm that the consideration of the Property has been determined after arm's length negotiations between the parties with reference to the normal commercial terms. The net profit, both before and after tax, attributable to the Property for the year ended 31 March 2003 was HK\$0.8 million. The net loss, both before and after tax, attributable to the Property for the year ended 31 March 2004 was HK\$0.5 million. The profit on disposal of the Property based on the book value as at 31 March 2004 is HK\$35.2 million.

The Directors confirm that to the best of their knowledge information and belief having made all reasonable enquiry, the Purchaser and the ultimate beneficial owner of the Purchaser are third parties independent of the Company and connected persons of the Company.

The transaction contemplated under the Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

A circular in connection with the disposal of the Property will be dispatched to the shareholders of the Company as soon as practicable.

## **DEFINITIONS**

In this announcement, the following terms have the following meanings:

“Agreement”	the provisional agreement dated 2 October 2004 entered into between the Vendor and the Purchaser
“Company”	Far East Consortium International Limited, shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	A property located at 30 Nanking Street, Jordan, Kowloon (Kowloon Inland Lot No. 7968 and 8816) known as Dorsett Garden Hotel
“Purchaser”	Grace Concord Holdings Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendor”

Aniwell Investments Limited, a wholly owned subsidiary of the Company.

By Order of the Board of  
**Far East Consortium International Limited**  
**David Chiu**  
*Deputy Chairman*

Hong Kong, 12 October 2004

As at the date of this announcement, the Board of Directors of the Company comprises executive directors namely Mr. Deacon Te Ken Chiu, Dato' David Chiu, Mr. Craig Grenfell Williams, Mr. Dennis Chiu; non-executive directors namely Madam Ching Lan Ju Chiu, Mr. Dick Tat Sang Chiu, Mr. Daniel Tat Jung Chiu and independent non-executive directors namely Datuk Kee Leong Chee, Mr. David Kwok Kwei Lo and Mr. Jian Yin Jiang.

Please also refer to the published version of this announcement in The Standard dated 13 October 2004.